

Monthly Operating Report
Accrual Basis

CASE NAME:	Rincon Island Limited Partnership
CASE NUMBER:	16-33174-hdh-11
JUDGE:	


UNITED STATES BANKRUPTCY COURT
NORTHERN & EASTERN DISTRICTS OF TEXAS
REGION 6

MONTHLY OPERATING REPORT


MONTH ENDING: September 2017
MONTH YEAR

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (ACCRUAL BASIS-1 THROUGH ACCRUAL BASIS-7) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT, AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY) IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:

 Ch 11 Trustee
ORIGINAL SIGNATURE OF RESPONSIBLE PARTY TITLE
Jason Searcy 11-2-17
PRINTED NAME OF RESPONSIBLE PARTY DATE

PREPARER:

 C.P.A.
ORIGINAL SIGNATURE OF PREPARER TITLE
Robert W. Peddy, CPA 11/2/17
PRINTED NAME OF PREPARER DATE

Monthly Operating Report

Accrual Basis - 1

CASE NAME:	Rincon Island Limited Partnership
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COMPARATIVE BALANCE SHEET

	SCHEDULE AMOUNT	July 2017	August 2017	September 2017
ASSETS				
1. UNRESTRICTED CASH	\$ 13,968	\$ 5,637	\$ 66,774	\$ 203,062
2. RESTRICTED CASH				
3. TOTAL CASH	\$ 13,968	\$ 5,637	\$ 66,774	\$ 203,062
4. ACCOUNTS RECEIVABLE (NET)		\$ 10,211	\$ 17,978	\$ 36,943
5. INVENTORY				
6. NOTES RECEIVABLE				
7. PREPAID EXPENSES				
8. OTHER (ATTACH LIST)				
9. TOTAL CURRENT ASSETS		\$ 15,848	\$ 84,752	\$ 240,005
10. PROPERTY, PLANT & EQUIPMENT	\$ 19,036,130	\$ 20,277,709	\$ 20,277,709	\$ 20,277,709
11. LESS: ACCUMULATED DEPRECIATION/ DE	\$ (1,032,906)	\$ (1,056,084)	\$ (1,056,084)	\$ (1,056,084)
12. NET PROPERTY, PLANT & EQUIPMENT	\$ 18,003,224	\$ 19,221,625	\$ 19,221,625	\$ 19,221,625
13. DUE FROM INSIDERS				
14. OTHER ASSETS - NET OF AMORTIZATION (ATTACH LIST)				
15. OTHER (ATTACH LIST)	\$ 4,232,469	\$ 4,351,606	\$ 4,351,606	\$ 4,351,606
16. TOTAL ASSETS	\$ 22,235,693	\$ 23,589,079	\$ 23,657,983	\$ 23,813,236
POSTPETITION LIABILITIES				
17. ACCOUNTS PAYABLE		\$ 387,341	\$ 387,360	\$ 406,522
18. TAXES PAYABLE		\$ -	\$ -	
19. NOTES PAYABLE		\$ 927,456	\$ 927,456	\$ 927,456
20. PROFESSIONAL FEES		\$ -	\$ -	
21. SECURED DEBT				
22. OTHER (ATTACH LIST)		\$ 30,397,003	\$ 30,584,453	\$ 30,754,935
23. TOTAL POSTPETITION LIABILITIES		\$ 31,711,800	\$ 31,899,269	\$ 32,088,913
PREPETITION LIABILITIES				
24. SECURED DEBT	\$ 162,255,970	\$ 162,255,970	\$ 162,255,970	\$ 162,255,970
25. PRIORITY DEBT	\$ 9,016	\$ 9,016	\$ 9,016	\$ 9,016
26. UNSECURED DEBT	\$ 2,169,364	\$ 2,145,607	\$ 2,145,607	\$ 2,145,607
27. OTHER (ATTACH LIST)	\$ 20,643,711	\$ 20,643,711	\$ 20,643,711	\$ 20,643,711
28. TOTAL PREPETITION LIABILITIES	\$ 185,078,061	\$ 185,054,304	\$ 185,054,304	\$ 185,054,304
29. TOTAL LIABILITIES	\$ 185,078,061	\$ 216,766,104	\$ 216,953,573	\$ 217,143,217
EQUITY				
30. PREPETITION OWNERS' EQUITY		\$ (162,828,400)	\$ (162,828,400)	\$ (162,828,400)
31. POSTPETITION CUMULATIVE PROFIT OR (LOSS)		\$ (12,372,054)	\$ (12,490,619)	\$ (12,525,010)
32. DIRECT CHARGES TO EQUITY (ATTACH EXPLANATION)		\$ (17,976,571)	\$ (17,976,571)	\$ (17,976,571)
33. TOTAL EQUITY		\$ (193,177,025)	\$ (193,295,590)	\$ (193,329,981)
34. TOTAL LIABILITIES & OWNERS' EQUITY		\$ 23,589,079	\$ 23,657,983	\$ 23,813,236

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CASE NAME:	Rincon Island Limited Partnership
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INCOME STATEMENT		July 2017	August 2017	September 2017
REVENUES				
1. GROSS REVENUES	\$	7,707	\$ align="right">12,481	\$ align="right">13,249
2. LESS: RETURNS & DISCOUNTS				
3. NET REVENUE	\$	7,707	\$ align="right">12,481	\$ align="right">13,249
COST OF GOODS SOLD				
4. MATERIAL				
5. DIRECT LABOR				
6. DIRECT OVERHEAD				
7. TOTAL COST OF GOODS SOLD				
8. GROSS PROFIT	\$	7,707	\$ align="right">12,481	\$ align="right">13,249
OPERATING EXPENSES				
9. OFFICER/INSIDER COMPENSATION				
10. SELLING & MARKETING				
11. GENERAL & ADMINISTRATIVE	\$	111,423	\$ align="right">134,358	\$ align="right">46,014
12. RENT & LEASE				
13. OTHER (ATTACH LIST)				
14. TOTAL OPERATING EXPENSES	\$	111,423	\$ align="right">134,358	\$ align="right">46,014
15. INCOME BEFORE NON-OPERATING INCOME & EXPENSES	\$	(103,716)	\$ align="right">(121,877)	\$ align="right">(32,765)
OTHER INCOME & EXPENSES				
16. NON-OPERATING INCOME (ATTACH LIST)	\$	3,311	\$ align="right">3,311	\$ align="right">-
17. NON-OPERATING EXPENSE (ATTACH LIST)				
18. INTEREST EXPENSE	\$	-	\$ align="right">-	\$ align="right">-
19. DEPRECIATION/DEPLETION	\$	(1,378)	\$ align="right">-	\$ align="right">-
20. AMORTIZATION				
21. OTHER (ATTACH LIST)				
22. NET OTHER INCOME & EXPENSES	\$	1,933	\$ align="right">3,311	\$ align="right">-
REORGANIZATION EXPENSES				
23. PROFESSIONAL FEES				
24. U.S. TRUSTEE FEES				\$ align="right">(1,625)
25. OTHER (ATTACH LIST)				
26. TOTAL REORGANIZATION EXPENSES				
27. INCOME TAX				
28. NET PROFIT (LOSS)	\$	(101,783)	\$ align="right">(118,565)	\$ align="right">(34,390)

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CASE NAME:	Rincon Island Limited Partnership
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CASH RECEIPTS AND DISBURSEMENTS	July 2017	August 2017	September 2017	Quarter
1. CASH - BEGINNING OF MONTH	\$ (31,368)	\$ 5,637	\$ 66,774	
RECEIPTS FROM OPERATIONS				
2. CASH SALES				\$ -
COLLECTIONS OF ACCOUNTS RECEIVABLE				
3. PREPETITION				\$ -
4. POSTPETITION	\$ 18,398	\$ 10,163	\$ -	\$ 28,561
5. TOTAL OPERATING RECEIPTS	\$ 18,398	\$ 10,163	\$ -	\$ 28,561
NON-OPERATING RECEIPTS				
6. LOANS & ADVANCES (ATTACH LIST)	\$ 23,000	\$ 185,263	\$ 157,414	\$ 365,677
7. SALE OF ASSETS				\$ -
8. OTHER (ATTACH LIST)	\$ 36,208	\$ 3,958	\$ -	\$ 40,166
9. TOTAL NON-OPERATING RECEIPTS	\$ 59,208	\$ 189,221	\$ 157,414	\$ 405,843
10. TOTAL RECEIPTS	\$ 77,606	\$ 199,384	\$ 157,414	\$ 434,403
11. TOTAL CASH AVAILABLE	\$ 46,238	\$ 205,021	\$ 224,188	\$ 475,447
OPERATING DISBURSEMENTS				
12. NET PAYROLL	\$ 15,746	\$ 8,206	\$ 12,630	\$ 36,582
13. PAYROLL TAXES PAID	\$ 11,854	\$ 8,248		\$ 20,102
14. BANK CHARGES		\$ 45	\$ 196	\$ 241
15. CONTRACT OPERATING SERVICES		\$ 81,748		\$ 81,748
16. DIRECT MARKETING SERVICES		\$ 40,000		\$ 40,000
17. PERMITS			\$ 6,675	\$ 6,675
18. INVENTORY PURCHASES				\$ -
19. VEHICLE EXPENSES				\$ -
20. TRAVEL				\$ -
21. ENTERTAINMENT				\$ -
22. REPAIRS & MAINTENANCE				\$ -
23. SUPPLIES				\$ -
24. LOANS & ADVANCES	\$ 13,000			\$ 13,000
25. OTHER (ATTACH LIST)	\$ -	\$ -	\$ -	\$ -
26. TOTAL OPERATING DISBURSEMENTS	\$ 40,601	\$ 138,247	\$ 19,501	\$ 198,349
REORGANIZATION EXPENSES				
27. PROFESSIONAL FEES				\$ -
28. U.S. TRUSTEE FEES			\$ 1,625	\$ 1,625
29. OTHER (ATTACH LIST)				\$ -
30. TOTAL REORGANIZATION EXPENSES	\$ -	\$ -	\$ 1,625	\$ 1,625
31. TOTAL DISBURSEMENTS	\$ 40,601	\$ 138,247	\$ 21,126	\$ 199,974
32. NET CASH FLOW	\$ 30,991	\$ 61,137	\$ 137,913	\$ 230,040
33. CASH - END OF MONTH	\$ 5,637	\$ 66,774	\$ 203,062	\$ 275,473

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CASE NAME:	Rincon Island Limited Partnership
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MONTH: September

ACCOUNTS RECEIVABLE AGING	SCHEDULE AMOUNT	July 2017	August 2017	September 2017
1. 0 - 30		\$ 10,211	\$ 17,978	\$ 36,943
2. 31 - 60				
3. 61 - 90				
4. 91 +				
5. TOTAL ACCOUNTS RECEIVABLE	\$ -	\$ 10,211	\$ 17,978	\$ 36,943
6. AMOUNT CONSIDERED UNCOLLECTIBLE				
7. ACCOUNTS RECEIVABLE (NET)	\$ -	\$ 10,211	\$ 17,978	\$ 36,943

AGING OF POSTPETITION TAXES AND PAYABLES	0 - 30 DAYS	31-60 DAYS	61-90 DAYS	90+ DAYS	Total
TAXES PAYABLE					
1. FEDERAL	\$ -				\$ -
2. STATE	\$ -				\$ -
3. LOCAL					\$ -
4. OTHER (ATTACH LIST)					\$ -
5. TOTAL TAXES PAYABLE	\$ -	\$ -	\$ -	\$ -	\$ -

6. ACCOUNTS PAYABLE	19,162	19	78,152	309,189	\$ 406,522
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STATUS OF POSTPETITION TAXES	BEGINNING TAX LIABILITY	AMOUNT WITHHELD OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY
FEDERAL				
1. WITHHOLDING	\$ -			\$ -
2. FICA-EMPLOYEE	\$ -			\$ -
3. FICA-EMPLOYER	\$ -			\$ -
4. UNEMPLOYMENT	\$ -			\$ -
5. INCOME				\$ -
6. OTHER (ATTACH LIST)				\$ -
7. TOTAL FEDERAL TAXES	\$ -	\$ -	\$ -	\$ -
STATE AND LOCAL				\$ -
8. WITHHOLDING	\$ -			\$ -
9. SALES				\$ -
10. EXCISE				\$ -
11. UNEMPLOYMENT				\$ -
12. REAL PROPERTY				\$ -
13. PERSONAL PROPERTY				\$ -
14. OTHER (ATTACH LIST)				\$ -
15. TOTAL STATE & LOCAL	\$ -			\$ -
16. TOTAL TAXES	\$ -	\$ -	\$ -	\$ -

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CASE NAME:	Rincon Island Limited Partnership
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BANK RECONCILIATIONS	Acct #1	Acct #2	Acct #3	
A. BANK:	TB&T			TOTAL
B. ACCOUNT NUMBER:	9683			
C. PURPOSE (TYPE):	General Checking			
1. BALANCE PER BANK STATEMENT	\$ 203,062			\$ 203,062
2. ADD: TOTAL DEPOSITS NOT CREDITED				\$ -
3. SUBTRACT: OUTSTANDING CHECKS	\$ -			\$ -
4. OTHER RECONCILING ITEMS				\$ -
5. MONTH END BALANCE PER BOOKS	\$ 203,062		\$ -	\$ 203,062
6. NUMBER OF LAST CHECK WRITTEN	1002			

INVESTMENT ACCOUNTS	DATE OF PURCHASE	TYPE OF INSTRUMENT	PURCHASE PRICE	CURRENT VALUE
BANK, ACCOUNT NAME & NUMBER				
7.				
8.				
9.				
10.				
11. TOTAL INVESTMENTS			\$ -	\$ -

CASH	
12. CURRENCY ON HAND	\$ -
13. TOTAL CASH - END OF MONTH	\$ 203,062

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CASE NAME:	Rincon Island Limited Partnership
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MONTH: September
PAYMENTS TO INSIDERS AND PROFESSIONALS

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TTL PD TO DATE
1.			
2.			
3.			
4.			
5.			
TOTAL PAYMENTS TO INSIDERS		\$ -	\$ -

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TTL PAID TO DATE	TOTAL INCURRED & UNPAID
1.					
2.					
3.					
4.					
5.					
TOTAL PAYMENTS TO PROFESSIONALS		\$ -	\$ -	\$ -	\$ -

POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POST-PETITION
1.			
2.			
3.			
4.			
5.			
6. TOTAL	\$ -	\$ -	\$ -

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2017

CASE NAME:	Rincon Island Limited Partnership
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MONTH: September

QUESTIONNAIRE

	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		X
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		X
3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES OR LOANS) DUE FROM RELATED PARTIES?		X
4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?		X
5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		X
6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?		X
7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		X
8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?	X	
9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?	X	
10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?	X	
11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?		X
12. ARE ANY WAGE PAYMENTS PAST DUE?		X

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES", PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSURANCE

	YES	NO
1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?	X	
2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?	X	
3. PLEASE ITEMIZE POLICIES BELOW		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO" OR IF ANY POLICIES HAVE BEEN CANCELED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSTALLMENT PAYMENTS

TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY

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CASE NAME:	Rincon Island Limited Partnership
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ATTACHMENT	July 2017	August 2017	September 2017
OTHER ASSETS (ATTACH LIST)			
15 Escrow Fund	\$ 1,057,835	\$ 1,057,835	\$ 1,057,835
15 Performance Bond	\$ 3,292,100	\$ 3,292,100	\$ 3,292,100
15 Prepayments	\$ 1,671	\$ 1,671	\$ 1,671
15 TOTAL OTHER ASSETS	\$ 4,351,606	\$ 4,351,606	\$ 4,351,606
OTHER LIABILITIES (ATTACH LIST)			
22 Accrued Wages/Interest/Taxes	\$ 11,232	\$ -	\$ -
22 Capitalized Loan Interest	\$ 9,820,732	\$ 9,820,732	\$ 9,820,732
22 Due Affiliate - Loan Adjustment	\$ 14,739,474	\$ 14,739,474	\$ 14,739,474
22 Due Affiliate	\$ 5,787,505	\$ 5,794,917	\$ 5,802,269
22 Accrued Property Taxes	\$ 10,272	\$ 10,272	\$ 10,272
22 UBS Loan/Funding		\$ 185,263	\$ 342,676
22 Royalties Payable	\$ 27,788	\$ 33,796	\$ 39,512
22 TOTAL OTHER LIABILITIES	\$ 30,397,003	\$ 30,584,453	\$ 30,754,935
OPERATING EXPENSE - OTHER			
13 General Operating			
13 Property & Payroll Taxes			
13 Other			
13 TOTAL OPERATING EXPENSES - OTHER	\$ -	\$ -	\$ -
OTHER INCOME & EXPENSES			
16 Rents/Bond Increase(Decrease)	\$ 3,311	\$ 3,311	\$ -
16 Accounts Receivable Adjustments			\$ -
21 Income Tax			\$ -
16 OTHER INCOME & EXPENSES	\$ 3,311	\$ 3,311	\$ -
NON-OPERATING RECEIPTS			
6 Inter-Company Advance / Notes Payable	\$ 23,000	\$ 185,263	\$ 157,414
8 Vendor Refund/Other	\$ 32,897	\$ 647	\$ -
8 Rents	\$ 3,311	\$ 3,311	\$ -
10 TOTAL RECEIPTS	\$ 59,208	\$ 189,221	\$ 157,414
OPERATING DISBURSEMENTS			
25 Lease Improvements			
25 Employee Benefits			
25 Rentals			
25 Outside Services			
25 Royalty Payments			
25 Other			
25 OTHER	\$ -	\$ -	\$ -
DIRECT CHARGES TO EQUITY			
32 Adjust Bond Value in Accordance with GAAP	\$ 269,650	\$ 269,650	\$ 269,650
32 Adjust for Prior Period Corrections/Estimations	\$ 146,059	\$ 146,059	\$ 146,059
32 Under Reported Prepetition Liabilities-Related Party	\$ (3,602,348)	\$ (3,602,348)	\$ (3,602,348)
32 Reclassified OPEX as Capital Asset	\$ 436,293	\$ 436,293	\$ 436,293
32 Adjust InterCo Loan to Actual	\$ (14,739,474)	\$ (14,739,474)	\$ (14,739,474)
32 BDO 2016 Audit Adjustment	\$ (486,751)	\$ (486,751)	\$ (486,751)
32 TOTAL DIRECT CHARGES TO EQUITY	\$ (17,976,571)	\$ (17,976,571)	\$ (17,976,571)